

Message Text

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PAGE 01 LIMA 02291 01 OF 02 221628Z

ACTION COME-00

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FM AMEMBASSY LIMA

TO SECSTATE WASHDC 4125

UNCLAS SECTION 1 OF 2 LIMA 2291

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TAGS: BEXP, PE

SUBJ: STATUS REPORT ON TENTH INTERNATIONAL PACIFIC FAIR

REF: LIMA 0688, LIMA 1695

1. FAIR DECREE OF NOVEMBER 24, 1976 (LIMA-015) STATED THAT COMPLEMENTARY REGULATIONS WOULD BE PUBLISHED WITHIN SIXTY DAYS. HOWEVER, REGULATIONS HAVE STILL NOT APPEARED IN OFFICIAL GAZETTE. REPORTEDLY, ORIGINAL VERSION INCLUDED SEVERAL NEW REQUIREMENTS THAT WOULD HAVE BEEN UNACCEPTABLE TO EXHIBITORS. IN PARTICULAR, EXHIBITORS WOULD HAVE BEEN REQUIRED TO OBTAIN PRIOR IMPORT LICENSES FROM COMMERCE MINISTRY FOR EACH PRODUCT DISPLAYED. LATEST VERSION IS UNDER REVIEW AND PUBLICATION IS EXPECTED SOMETIME IN APRIL.

2. GOSTA LETTERSTEN, FAIR ORGANIZER AND MANAGER, CALLED LUNCHEON MEETING OF ALL COMMERCIAL ATTACHES ON MARCH 8. HE REPORTED ON THE HIGHLIGHTS OF THE MOST RECENT VERSION OF THE REGULATIONS WHICH HE HAS SEEN IN DRAFT. HE BELIEVES THIS IS THE VERSION THAT WILL EVENTUALLY BE MADE OFFICIAL. DRAFT CONTAINS FOLLOWING ELEMENTS:

A. AS IN PREVIOUS FAIRS, DOLLAR ALLOCATIONS FOR PURCHASES MADE FOR EQUIPMENT AT FAIR GROUNDS ARE NOT COUNTED AGAINST IMPORTERS' ANNUAL DOLLAR QUOTAS;

UNCLASSIFIED

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PAGE 02 LIMA 02291 01 OF 02 221628Z

B. THERE WILL BE NO CEILING ON DOLLARS FOR FAIR, NOT BY EXHIBITOR, COUNTRY OR GLOBAL; ONLY LIMITATION WILL BE AVAILABLE DISPLAY SPACE;

C. FAIR WILL BE EXEMPT FROM ALL NORMAL COMMERCIAL TAXES; EXHIBITORS WILL NOT BE REQUIRED TO FILE FOR THIS EXEMPTION;

D. EXHIBITORS CAN SHOW ANYTHING THEY PLEASE AT FAIR BUT CAN ONLY IMPORT INTO PERU MAXIMUM OF THREE UNITS OF ANY GIVEN MODEL (SOME FLEXIBILITY CAN BE ACHIEVED BUT WITHOUT EXAGGERATION);

E. PRODUCTS IMPORTED INTO PERU MUST BE LISTED IN GOP PUBLICATION "IMPORTABLE ARTICLES" ("ARTICULOS SUSCEPTIBLES A IMPORTACION"); NORMALLY FIRMS MAY NOT IMPORT ARTICLES LISTED IN GOP "REGISTER OF MANUFACTURED PRODUCTS" ("REGISTRO DE MANUFACTURAS") BUT THIS WILL NOT APPLY FOR FAIR; PROHIBITED ITEMS MAY BE EXHIBITED BUT MUST BE REEXPORTED OR DELIVERED TO BUYERS IN COUNTRIES OTHER THAN PERU.

F. DUTY-FREE IMPORT OF UP TO \$300 IN GIVE-AWAYS PER EXHIBITOR PLUS \$3,000 PER COUNTRY;

G. DUTY-FREE IMPORTATION OF LIQUOR UP TO \$2,000 PER COUNTRY;

H. DUTY-FREE IMPORTATION OF FOOD AND BEVERAGES UP TO \$15 PER SQUARE METER FOR TOTAL AREA OCCUPIED BY RESTAURANT;

ALL OTHER APPLICABLE RULES AT TENTH FAIR WILL BE IDENTICAL TO THOSE CONTAINED IN PREVIOUS 1969 FAIR LAW. AS IN 1975 FAIR, ALL GOP AGENCIES INVOLVED IN IMPORT APPROVAL (I.E. MINISTRIES OF COMMERCE, INDUSTRY, ECONOMY, CUSTOMS, BANCO DE LA NACION, ETC.) WILL HAVE REPRESENTATIVES LOCATED AT FAIR GROUNDS TO ACCELERATE ALL PAPERWORK.

3. THE 1977 FAIR WILL COINCIDE WITH THE SIXTH INTERAMERICAN
UNCLASSIFIED

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PAGE 03 LIMA 02291 01 OF 02 221628Z

GRAPHIC ARTS CONVENTION. THEREFORE, LETTERSTEN HAS DECIDED TO USE PAVILION A (6400 SQUARE METERS), WHICH IN PREVIOUS SHOWS WAS USED TO DISPLAY DOMESTIC APPLIANCES, FOR A STRICTLY GRAPHIC ARTS EQUIPMENT AND MACHINERY DISPLAY TO BE CALLED "TECNOGRAF". WEST GERMAN, EAST GERMAN, ITALIAN AND SWEDISH ATTACHES INDICATED THEY WOULD HAVE NO OBJECTION TO MOVING THEIR GRAPHIC ARTS EXHIBITORS FROM THEIR NATIONAL PAVILIONS TO TECNOGRAF PAVILION. COST IS CALCULATED ROUGHLY AT \$80 PER SQUARE METER INCLUDING ALL EXTRAS (I.E. DECORATION, CATALOG, LOUNGE AREA, BAR, ETC.). TRANSPORT AND CUSTOMS HANDLING FROM PORT TO STAND UNCRATED WILL BE APPROXIMATELY \$55 PER TON OR CUBIC METER.

4. EMBASSY HAS WORKED UP ESTIMATED BUDGET FOR FIRST-CLASS US PAVILION. COST OF 3 X 4 METER INDOOR MODULAR BOOTH WOULD BE \$1,350, SAME PRICE THAT WAS CHARGED IN 1975. MINIMUM MODULAR OUTDOOR UNIT WILL BE 25 SQUARE METERS. OUTSIDE SPACE WOULD RENT FOR \$30 PER SQUARE METER, UP FROM \$19 IN 1975. THIS IS DUE TO INCREASED RENTAL COST CHARGED TO EMBASSY BY PACIFIC FAIR WHICH WILL BE \$25 THIS YEAR FOR BOTH INDOOR AND OUTDOOR SPACE, UP FROM

\$15 IN 1975.

5. FIRST POTENTIAL EXHIBITORS MEETING HELD IN EMBASSY AUDITORIUM ON MARCH 18. OVER 100 IN ATTENDANCE, REPRESENTING SOME 35 LOCAL COMPANIES. EMBASSY SHARED WITH THEM ALL INFORMATION WE HAVE ON FAIR IN GENERAL AND US PAVILION IN PARTICULAR. WITH THE EXCEPTION OF THREE, ALL FIRMS THAT ATTENDED MEETING PARTICIPATED IN US PAVILION AT 1975 FAIR. ON THE BASIS OF INFORMATION PROVIDED TO THEM, 30 INDICATED ON THE SPOT THAT THEY WOULD DEFINITELY PARTICIPATE AGAIN IN US PAVILION THIS YEAR. REMAINDER INDICATED THEY HAD TO CHECK WITH US AFFILIATES BEFORE MAKING COMMITMENT.

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PAGE 01 LIMA 02291 02 OF 02 221625Z
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INFO OCT-01 ARA-10 ISO-00 EB-08 USIA-15 /034 W
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UNCLAS SECTION 2 OF 2 LIMA 2291

6. WE EXPLAINED FULL COST RECOVERY FEE REQUIREMENT OF \$3,000 OTM AND \$2000 NTM FOR TYPE II FAIR. BY UNANIMOUS VOTE EXHIBITORS EXPRESSED PREFERENCE FOR POST-SPONSORED PAVILION AT \$1,350. AFTER EXHIBITORS MEETING, EMBASSY BELIEVES IT HAS NO ALTERNATIVE BUT TO OPT FOR POST-SPONSORED PAVILION. NEVERTHELESS, WE WOULD BE MOST APPRECIATIVE OF ANY AND ALL ASSISTANCE USDOC COULD PROVIDE FOR THIS IMPORTANT COMMERCIAL EVENT INCLUDING POSSIBILITIES RAISED IN BREWER LETTER OF 1/4/77 TO KOHN (I.E. BUSINESS INFORMATION OFFICE; EXHIBITION MANAGER; HELP IN LOCATING CARPET SUPPLIERS IN US).

7. POST IS ALSO EXPLORING POSSIBILITY OF US FAST-FOOD CHAINS (I.E. KENTUCKY FRIED CHICKEN; MCDONALD'S, ETC.) PARTICIPATING FOR FIRST TIME IN PACIFIC FAIR. US COMPANIES COULD JUDGE LOCAL REACTION TO PRODUCT AND IF SUCCESSFUL NEGOTIATE FRANCHISES AT FAIR. IN FACT, WE MAY BE ABLE TO ARRANGE FOR THEM TO PARTICIPATE AT NO OR NOMINAL COST.

8. IN ORDER TO MAKE THE US PAVILION THE MOST SPECTACULAR AND TALKED ABOUT EVENT AT THE TENTH FAIR, COMATT IS IN INITIAL

STAGES OF NEGOTIATING VISIT TO PERU BY DISNEY ON PARADE TO
COINCIDE WITH FAIR. EXHIBITORS IN US PAVILION WOULD BE GIVEN
INVITATION CARDS TO DISTRIBUTE TO THEIR CUSTOMERS.

9. COMATT KOHN PREPARED TO DISCUSS ALL ASPECTS OF FAIR IN
GREATER DETAIL DURING CONSULTATIONS IN WASHINGTON AND NEW YORK
IN APRIL. HE WILL ALSO ATTEMPT TO RECRUIT NTM EXHIBITORS WHILE
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PAGE 02 LIMA 02291 02 OF 02 221625Z

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Message Attributes

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